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16 UNITED STATES DISTRICT COURT  
17 FOR THE CENTRAL DISTRICT OF CALIFORNIA

18 **JUNG HWAN OH, a California Sole**  
19 **Proprietorship d/b/a Rancho Meat**  
20 **Market; and**  
21 **JUNG HWAN OH, an Individual,**  
22 Plaintiffs,

23 v.

24 **UNITED STATES OF AMERICA,**  
25 Defendant.

CASE NO.

**COMPLAINT**

26 The Plaintiffs, JUNG HWAN OH, a California Sole Proprietorship d/b/a  
27 RANCHO MEAT MARKET and JUNG HWAN OH, an Individual, by and through  
28 their undersigned counsel and hereby file this Complaint against the UNITED

1 STATES OF AMERICA upon the grounds set forth herein, and in support thereof,  
2 states as follows:

3  
4 **FACTUAL BACKGROUND**

5 1. The Plaintiffs own and operate a retail food store in Los Angeles,  
6 California, named JUNG HWAN OH, a California Sole Proprietorship d/b/a  
7 RANCHO MEAT MARKET (hereinafter “Rancho Meat Market”). The store is  
8 dedicated to the retail sales of mostly staple food items to the Plaintiffs’ customers.  
9

10 2. Located in Los Angeles, California, Rancho Meat Market serves a  
11 community with a high percentage of Supplemental Nutrition Assistance Program  
12 (SNAP, formerly the “Food Stamp Program”) households.  
13

14 3. Accordingly, Rancho Meat Market began accepting Electronic Benefit  
15 Transfers (or “EBT”) to better serve the local community and increase its  
16 attractiveness to SNAP customers. These SNAP customers eventually became a  
17 substantial share of the store’s total clientele, responsible for a substantial portion of  
18 the store’s gross revenue on EBT alone. In addition to EBT, the SNAP clientele  
19 account for an even larger portion of the gross revenue as they conduct significant  
20 non-SNAP transactions as well for ineligible items.  
21  
22

23 4. On April 2, 2024, the USDA, through the FNS, issued a Charge Letter  
24 to the Plaintiffs wherein the Store was charged by the Defendant with the sale of  
25 ineligible items on SNAP. The Defendant indicated that they were seeking a six-  
26 month disqualification of the Plaintiffs from the program.  
27  
28

1           5.     The Plaintiffs denied the allegations and presented a defense against a  
2     disqualification, but in a letter dated June 12, 2024 the Agency issued a six-month  
3     disqualification of the Plaintiffs.  
4

5           6.     Accordingly, on June 14, 2024, the Plaintiffs timely filed for an  
6     Administrative Review of the Department's decision to disqualify them for six  
7     months, as permitted by 7 C.F.R. §279, and presented arguments and evidence in  
8     support of their position. The Plaintiffs took issue not only with the evidence that  
9     any violations of SNAP retailer policies had occurred, but also with whether or not  
10    they were neglectful or careless in their operation of the store and oversight of the  
11    employees.  
12

13           7.     The Administrative Review Division of the USDA responded to the  
14    Plaintiffs' appeal in a letter and opinion dated September 23, 2024, which was  
15    received on September 25, 2024, a copy of which is attached hereto as **Exhibit "A"**.  
16

17           8.     This Judicial Appeal has been filed timely and seeks the reversal of the  
18    USDA's current decision to disqualify the Plaintiffs for six (6) months from  
19    participating as a SNAP retailer.  
20

### 21                                   **JURISDICTION AND VENUE**

22           9.     The Plaintiffs bring this action based upon their disqualification from  
23    eligibility to participate in the Supplemental Nutrition Assistance Program, as  
24    codified by Congress in 7 U.S.C. §§ 2011 – 2036(c).  
25

26           10.    This Court has subject matter jurisdiction over the matters raised by the  
27                   3  
28

1 Plaintiffs in this case pursuant to 7 U.S.C. §2023, and 7 C.F.R. §279.7. Furthermore,  
2 28 U.S.C. §1331 gives this Court original jurisdiction over civil actions arising under  
3 the laws of the United States, for which the aforementioned statute and regulation  
4 qualify.

5  
6 11. Venue is appropriate in this District pursuant to 7 C.F.R. §279.7(a), 7  
7 U.S.C. §2023(13) and 28 U.S.C. §1391(b) as this Plaintiffs' business is owned and  
8 operated in Los Angeles, Los Angeles County, California and because the facts  
9 giving rise to the circumstances herein occurred in the Central District of California.

10  
11  
12 **PARTIES**

13 12. The Plaintiff, JUNG HWAN OH, a California Sole Proprietorship d/b/a  
14 RANCHO MEAT MARKET, operates at 2421 Maple Ave., Los Angeles, CA 90011-  
15 1409. JUNG HWAN OH, a California Sole Proprietorship d/b/a RANCHO MEAT  
16 MARKET is referred to herein as "Rancho Meat Market" and referred to herein  
17 collectively with the other Plaintiffs as "Plaintiffs".

18  
19 13. The Plaintiff, JUNG HWAN OH, an Individual, is a natural person and  
20 resident of California and is a registered owner of Rancho Meat Market and is  
21 referred to herein collectively with the other Plaintiffs as "Plaintiffs".

22  
23 14. The Defendant, the UNITED STATES OF AMERICA, acting through  
24 its agency, the United States Department of Agriculture (hereinafter referred to as the  
25 "USDA" or "Department"), and its subservice, the Food and Nutrition Service  
26 (hereinafter referred to as "FNS").



1 limited to the sale of common nonfood items *due to carelessness*  
2 *or poor supervision by the firm's ownership or management.*" 7  
3 U.S.C. §278.6(5) (2009) (emphasis added).

4 19. The regulation clearly draws a line between violations that are a result  
5 of an employee's malicious or incidental mistakes that occur despite reasonable  
6 efforts and oversight from ownership/management, and those which occur as the  
7 result of the poor handling of the company and its employees by the  
8 management/ownership. Effectively, the regulation seeks only to sanction those  
9 stores where the ownership/management has created an environment to permit  
10 violations to fester or occur uninhibited.  
11

13 20. In this instant action, the Defendant has alleged that the Plaintiffs  
14 committed transactions which amount to the selling of ineligible common non-food  
15 items (also referred to as "minor ineligible items") in EBT transactions. Such  
16 allegations were based upon unsworn statements of an unidentified investigator.  
17

18 21. In all, the Charge Letter claims that the Plaintiff allegedly sold different  
19 ineligible items<sup>1</sup> to the Investigator who is a *third party* contractor for the Food and  
20 Nutrition Service, United States Department of Agriculture: (1) two boxes of  
21 Goodsense ZipperSeal Freezer Storage Bags; (2) a box of Best Yet Heavy Duty  
22 Cutlery Combo; (3) two packs of Axxion The Big Bowl Bowls; (4) one pack of  
23 Axxion soak-proof foam plates; (5) two boxes of Handi-Wrap Zipper Seal Sandwich  
24  
25  
26  
27

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28 <sup>1</sup> Albeit on different occasions.

1 Zipper Bags; (6)

2 22. Notably, neither the Charge Letter (which instituted the Agency action)  
3 nor the proceedings before the Administrative Review Office, offered any evidence  
4 or allegation that the store's ownership or management was careless or neglectful in  
5 their supervision and operation of the store, nor was evidence provided showing such  
6 shortcomings in the oversight of the employees.  
7

8 23. The store, in fact, did oversee its employees and provide SNAP training.  
9 At no time was the store owner or manager neglectful or careless in the operation of  
10 the store.  
11

12 24. As such, the determination that neglect or carelessness on the part of the  
13 management/ownership existed was without evidence of support, and ultimately  
14 based on either insufficient information or arbitrary standards.  
15

16  
17 **ISSUANCE OF HARDSHIP CIVIL MONEY PENALTIES**

18 25. With respect to the issuance of Civil Money Penalties in lieu of  
19 suspensions, 7 U.S.C. §278.6 permits the Department to issue a hardship civil money  
20 penalty. As noted by the District of Oregon in the case *Plaid Pantry Stores, Inc. vs.*  
21 *U.S.*, 612 F.Supp. 680, 684 (D. Oregon 1985) in drafting the Food Stamp Act and the  
22 statutes upon which the Defendant now operates and under which this case arises,  
23 "Congress believed that civil money penalties should be the normal penalty instead  
24 of disqualification."  
25  
26

27  
28 26. Nevertheless, it appears that the Agency did not evaluate that option in

1 this matter, nor did it consider a warning letter as provided under 7 C.F.R.  
2 §278.6(e)(7) where the violations were too limited to warrant further agency action.  
3

4 **COUNT I: REQUEST FOR JUDICIAL REVIEW**

5 27. The Plaintiffs incorporate and restate each and every paragraph set forth  
6 above as though fully set forth herein.  
7

8 28. The Plaintiffs, pursuant to 7 U.S.C. §2023 and 7 C.F.R. §279.7 have the  
9 right to, and hereby do, request a *trial de novo* judicial review of the six (6) month  
10 suspension issued by the Defendant against the Plaintiffs.  
11

12 29. The initial administrative decision, in addition to the Final Agency  
13 Decision rendered upon the Administrative Appeal, errantly found that the Plaintiffs  
14 had committed SNAP regulation violations as a result of accepting SNAP benefits in  
15 exchange for “common ineligible non-food items.”  
16

17 30. The store denies that the transactions occurred as described by the  
18 Agency.  
19

20 31. Furthermore, the Final Agency Decision wrongly determined that the  
21 store’s ownership and/or management was careless or neglectful in its operation of  
22 the firm and oversight of the clerks.  
23

24 32. The Plaintiffs’ management and ownership has been diligent in  
25 operating the store and overseeing employees.  
26

27 33. Even if the transactions had occurred as described by the Defendant,  
28 they were in no way the result of ownership of managerial carelessness or neglect.



1 The store is thorough and careful in its training, but cannot be omniscient or  
2 omnipresent for every transaction.

3  
4 34. Both the finding of a sale of ineligible items, and that such sale was the  
5 result of managerial or ownership neglect or carelessness, were errant and warrant  
6 reversal.

7  
8 35. Furthermore, the Plaintiffs have never been afforded an opportunity to  
9 cross-examine the third-party investigator, nor have they been permitted the  
10 opportunity to review the Administrative Record and respond to the allegations and  
11 evidence set forth therein.

12  
13 36. As such, the Defendant, acting through its department and sub-  
14 departments in the USDA, improperly and impermissibly suspended the Plaintiff  
15 from participation in SNAP for six (6) months.

16  
17 37. Therefore, the six (6) month disqualification against the Plaintiffs  
18 should be set aside by this Court in favor of the issuance of a warning letter, and the  
19 Plaintiffs' status as an approved SNAP retailer should be reinstated.

20  
21 **WHEREFORE**, the Plaintiffs, JUNG HWAN OH, a California Sole  
22 Proprietorship d/b/a RANCHO MEAT MARKET and JUNG HWAN OH, an  
23 Individual, respectfully request this Honorable Court conduct a Judicial Review of  
24 the Defendant's six (6) month disqualification of the Plaintiffs, and subsequently  
25 enter Judgment against the Defendant for improperly disqualifying the Plaintiffs for  
26 six (6) months, as well as awarding the Plaintiffs the attorney's fees and costs  
27  
28

1 incurred in this action.

2 **COUNT II: ARBITRARY AND CAPRICIOUS SANCTION**

3  
4 38. The Plaintiffs hereby incorporate and restate paragraphs 1 through 24  
5 above as though more fully set forth herein.

6  
7 39. The Defendant has issued a series of internal policies which in pertinent  
8 part are designed to outline the system of punishments and sanctions for violations  
9 of the SNAP program by authorized retailers.

10  
11 40. The policies themselves draw arbitrary lines between numbers of  
12 ineligible items and transactions which fail to take into consideration the volume of  
13 visits done by an investigator or a confidential informant.

14  
15 41. In any case, the Defendant lacked substantial evidence to indicate that  
16 the alleged violations arose to the level of carelessness and/or poor supervision on  
17 the part of the Plaintiffs which would indicate a failure at the managerial level to  
18 supervise employees as required under the applicable regulations to support a six (6)  
19 month disqualification.  
20

21 42. As such, the transactions qualify as inadvertent in nature, and given the  
22 other evidence in the administrative record, the Defendant's internal policies required  
23 a warning letter to be issued rather than a suspension.  
24

25 **WHEREFORE**, the Plaintiffs, JUNG HWAN OH, a California Sole  
26 Proprietorship d/b/a RANCHO MEAT MARKET and JUNG HWAN OH, an  
27 Individual, respectfully request this Court set aside the Defendant's suspension of the  
28

1 Plaintiffs from participating in the SNAP program, as well as awarding the Plaintiffs  
2 attorney's fees and costs incurred in this action.

3  
4 **COUNT III: IN THE ALTERNATIVE, JUDICIAL REVIEW OF DENIAL OF CIVIL MONEY**  
5 **PENALTY**

6 43. The Plaintiffs hereby incorporate and restate paragraphs 1 through 24  
7 above as if more fully set forth herein.

8 44. The Plaintiffs timely requested the Department to issue a Hardship Civil  
9 Money Penalty in lieu of a six (6) month disqualification as the impact on the local  
10 community would be significant in the absence of Rancho Meat Market's ability to  
11 accept EBT.  
12

13 45. The Defendant subsequently denied the request, leaving the matter for  
14 Judicial Review pursuant to 7 U.S.C. §2023.  
15

16 46. Review of the Defendant's decision to issue (or decline) a civil money  
17 penalty is subject to *de novo* judicial review so that the Court has the opportunity to  
18 independently evaluate the evidence. *See Affum v. U.S.*, 566 F.3d 1150, 1160 (D.C.  
19 Cir. 2009).  
20

21 47. As such, the Plaintiffs request this Court review their request for the  
22 issuance of a hardship civil money penalty as permitted by law, and to issue said  
23 penalty if it is found to be appropriate in lieu of any sanction resulting from the  
24 Court's decision in Count I of this Complaint.  
25  
26

27 **WHEREFORE**, the Plaintiffs, JUNG HWAN OH, a California Sole  
28

1 Proprietorship d/b/a RANCHO MEAT MARKET and JUNG HWAN OH, an  
 2 Individual, respectfully request this Honorable Court enter Judgment reversing the  
 3 Defendant's decision not to issue a hardship civil money penalty, and instead instruct  
 4 Defendant to issue such penalty in the event a suspension is upheld under Count I, as  
 5 well as awarding the Plaintiffs attorney's fees and costs incurred in this action.  
 6

7  
 8 This matter has been respectfully submitted to the Court by the undersigned  
 9 attorneys and shall be served upon the Defendant in the manner prescribed by the  
 10 Federal Rules of Civil Procedure, 7 C.F.R. §279 and 7 U.S.C. §2023, as will be  
 11 evidenced by the proof of service filed with the Court hereafter.  
 12

13 Dated: October 24, 2024 Respectfully submitted,

14 /s/ Mubarak Malik

15 MUBARAK MALIK (SBN 323314)

16 **THE LAW OFFICE OF MUBARAK MALIK**

17 **THE IMMIGRATION ADVOCATE**

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28 <sup>2</sup> Application for Pro Hac Vice to be filed promptly.

**COUNSEL FOR PLAINTIFFS**

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